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TWO CONVICTED BY FEDERAL JURY IN FRAUD SCHEME
CLAIMING ACCESS TO \$9 BILLION IN FROZEN MARCOS FUNDS

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that ROBERTA DUPRE and BEVERLY STAMBAUGH, a/k/a "Sue Stambaugh," were found guilty by a jury in Manhattan federal court late yesterday of conspiracy and wire fraud charges in connection with their participation in a scheme to induce investors to pay money supposedly used to obtain the release and distribution of approximately \$9 billion in frozen funds purportedly belonging to the family of former Filipino president Ferdinand Marcos.

In March 2004, DUPRE and STAMBAUGH were charged in an Indictment alleging that from October 2002 to February 2004 they operated a scheme to defraud potential investors out of hundreds of thousands of dollars in "advance fees" by inducing investors into wiring money into DUPRE's bank account in Montrose, Colorado, and to Western Union in Manhattan.

According to the Indictment, DUPRE and STAMBAUGH advised potential investors that they had been working with a

member of the Marcos family who was the alleged "trustee" and "principal signatory" for an account containing the \$9 billion in frozen funds. As described in the Indictment, DUPRE and STAMBAUGH told investors that advance fees were necessary to pay the travel expenses of a Filipino "dignitary" who would travel to the United States and sign a release for the funds which then could be disbursed by DUPRE and STAMBAUGH to investors. DUPRE and STAMBAUGH promised investors a return of approximately \$1 million for every \$1,000 invested, with approximately \$500,000 going to the investor and approximately \$500,000 going to the person who referred the investor to DUPRE and STAMBAUGH.

The Trial commenced on October 12, 2004. At trial the Government called several victims of the scheme to testify about DUPRE and STAMBAUGH's solicitation of funds pursuant to the scheme. For example, one victim from Colorado testified that he traded some jewelry and a gold coin to raise \$500 to give to DUPRE and STAMBAUGH, having been led to believe that funding of the "program" was imminent. Another victim from Texas testified that she was promised a return of approximately \$33 million for her contribution of \$28,000.

The Government also played tapes and presented testimony of conversations between the defendants and an undercover FBI agent ("UC"), posing as a potential investor. According to proof offered at trial, DUPRE and STAMBAUGH collected nearly \$2 million over a two-year period. The evidence

showed DUPRE and STAMBAUGH's use of victim money for personal expenses, including an expenditure of \$252,089 by DUPRE for her lodging and incidentals at a Manhattan hotel.

DUPRE, 61, resides in Manhattan.

STAMBAUGH, 55, resides in Montrose, Colorado.

Immediately following the verdict, United States District Judge DENISE L. COTE ordered DUPRE and STAMBAUGH jailed. Sentencing is scheduled for January 21, 2005. The defendants each face a maximum sentence of 25 years' imprisonment and a maximum fine of \$500,000.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation for its work in this case.

Assistant United States Attorney BRET R. WILLIAMS is in charge of the prosecution.

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